

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 21, 1996

SUBJECT: **SB 3090 - HB 3158**

This bill, if enacted, provides that any increase in the local option sales tax enacted after January 1, 1997, which is purported to be for education funding will be used exclusively for education and shall not be offset by a reduction in previously existing school funding. Current law provides that an increase in the local option sales tax will be divided with one half being allocated to schools and one half being allocated to the city or county, depending upon where the tax is collected.

The fiscal impact from enactment of this bill is estimated to be a one-time increase in state expenditures of \$23,000 for the modification of computer systems in the Department of Revenue to adjust for the change in allocation.

The net fiscal impact on local governments from enactment of this bill is estimated to be minimal since the effect of the bill is to shift future revenues from one entity of local government to another.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director